

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 3147

UNCLAS CARACAS 02585

E.O. 11652: N/A

TAGS: EAGR, VE

SUBJ: EXTENSION VENEZUELA'S SUGAR QUOTA

REF: CARACAS 02540

1. FOLLOWING IS TRANSLATED TEXT OF MARCH

22 LETTER FROM FOREIGN MINISTER EFRAIN SCHACHT ARISTEGUIETA TO
AMBASSADOR MCCLINTOCK:

QUOTE MR. AMBASSADOR: I AM PLEASED TO INFORM YOU OF OUR GOVERN-
MENT'S INTEREST IN MAINTAINING ITS SUGAR QUOTA AT THE PRESENT
LEVEL UNDER THE NEW SUGAR ACT PRESENTLY BEING CONSIDERED FOR
EXTENSION OR MODIFICATION BY YOUR CONGRESS.

AS YOUR EXCELLENCY ALREADY KNOWS, VENEZUELA SUFFERED ONE OF
THE MOST SEVERE DROUGHTS OF RECENT DECADES, ONE WHICH HAD
NEGATIVE EFFECTS ON THE COUNTRY'S AGRICULTURE AND LIVESTOCK.
THE PRODUCTION OF SUGAR CANE WAS PARTICULARLY AFFECTED BECAUSE IT IS
A SEMIPERMANENT CROP. THE NEGATIVE CONSEQUENCES OF THE DROUGHT
WILL NOT ONLY AFFECT THE 1972-73 CROP, BUT ALSO THOSE FOLLOWING.
THEREFORE, VENEZUELA COULD SATISFY ONLY PARTIALLY ITS 1973 QUOTA,
AND IT HAS HAD TO DECLARE A DEFICIT FOR THIS YEAR.

AS IS ALSO KNOWN BY YOUR EXCELLENCY, THE NEW GOVERNMENT OF VENE-
ZUELA WILL GIVE SPECIAL PRIORITY TO THE DEVELOPMENT OF THE
AGRICULTURAL SECTOR. CONCERNING SUGAR, IMMEDIATE, CONCRETE MEASURES
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WILL BE INITIATED TO COMPENSATE FOR THE NEGATIVE EFFECTS OF THE

DROUGHT, AND TO EXPAND SUBSTANTIALLY THE COUNTRY'S PRODUCTION. IN EFFECT, THE MAJORITY OF THE SUGAR MILLS BELONGING TO CVF CENTRALES AZUCARERAS C.A. (CORPORACION VENEZOLANA DE FOMENTO, A GOVERNMENT CORPORATION) WILL BE ENLARGED. THE RIO YARACUY AND SANTA MARIA MILLS, WHICH BEGAN PRODUCTION DURING 1972-73 WILL BE FULLY FUNCTIONING, AND NEW MILLS WITH AN ANNUAL CAPACITY OF APPROXIMATELY 130,000 M.T. WILL BE BUILT. IN THIS MANNER VENEZUELA WILL BE ABLE TO SATISFY THE INCREASING INTERNAL CONSUMPTION AND THE EXPORT QUOTA TO THE UNITED STATES MARKET. FINALLY, IT IS TO BE POINTED OUT THAT MAINTAINING THE VENEZUELAN SUGAR QUOTA WOULD BE A FACT CONSONANT WITH THE TRADITIONAL FRIENDLY RELATIONS BETWEEN OUR COUNTRIES. I AM TAKING THIS OPPORTUNITY TO REITERATE THE EXPRESSION OF MY HIGHEST RESPECT AND CONSIDERATION TO YOU. END QUOTE. MCCLINTOCK

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